

28 February 2024

Enlitic Reports FY23 Results

Highlights

- Annual Recurring Revenue for signed Customer Agreements of US\$732k at the end of FY23.
- Total revenue for the year of US\$470k, with new customer agreements leading to an increase in subscription-based revenue.
- Growing customer base, with US\$66.4m pipeline of open sales opportunities¹.
- Completed IPO and associated listing on the ASX.
- Cash position of US\$11.1m at 31 December 2023.

Enlitic, Inc. (ASX: ENL) (“Enlitic” or the “Company”) today released its FY23 financial results for the year ended 31 December 2023.

Michael Sistenich, CEO of Enlitic, said “2023 was a transformative year for Enlitic as we completed an initial public offering (“IPO”) and associated listing on the ASX and made progress in commercialising our core products. In 2023, we also laid solid foundations for our business to grow as an ASX-listed company focused on bringing unique solutions to market and maximising long term shareholder value.

“Despite challenging market conditions, we are pleased with the momentum building for our ENDEX and ENCOG software products and have been working closely with our new customers to ensure a smooth implementation process. We continue to be encouraged by the strong interest from potential customers and partners and our US\$66.4m pipeline of open sales opportunities¹ continues to grow and progress. Having started 2023 with only one customer, we saw a period of accelerating growth to finish the year with 11 signed customer agreements which are expected to contribute revenue in H1 and early H2 2024. Although the early stages of commercialisation are non-linear, we are confident in the value proposition of our products and the quality of our team at Enlitic,” he concluded.

¹ The dollar values represent the Company’s estimate (based on initial discussions and assessments with each potential customer) of TCV ((the total contracted minimum licence revenue to be charged over the term (generally 3 years of contracts entered into with customers)) of the contract plus ancillary revenue (as applicable) of each customer pipeline opportunity if every such opportunity was to result in a signed Licence Agreement (and the Company has assumed each such Licence Agreement has a term of 3 years). There is no guarantee that any of the customer pipeline opportunities will result in any contracted clients or contracted revenue, and the dollar values indicated do not in any way represent an estimate of likely future revenue arising from those. It merely provides an indication of the potential size of the revenue opportunity presented by the customer pipeline opportunities.

Corporate & Operational Summary

During FY23, Enlitic continued its transition away from consultancy revenue toward a subscription-based revenue stream through a number of the new customer agreements signed. The Company believes recurring revenue streams generated through the licensing of its products will provide a steadier, less volatile income base.

Enlitic raised US\$13.8 million² despite a challenging equity market and listed on the Australian Securities Exchange in December 2023. The Company will use funds from the equity raising to pursue its growth strategy, continue the development of its products and expand its customer pipeline across key markets globally.

A key focus in 2023 was to bring efficiency to the organisation and Enlitic took a multi-faceted approach to achieve this goal. Operationally, the Company reassessed its staffing needs and redirected resources into key areas, which allowed Enlitic to downsize its office space and reduce lease costs.

From a product perspective, Enlitic reviewed and updated its software testing and build processes, streamlined its release process and increased efforts to deliver products of high quality, on time and on budget.

The sales team participated in major trade shows, including attendance at the Radiological Society of North America (RSNA), the world's largest medical imaging conference, which contributed to Enlitic's pipeline of open opportunities.

The Enlitic leadership team was strengthened with the addition of global medical imaging expert, Steve Rankin, who commenced as Chief Strategy Officer at Enlitic on 1 February 2024. Mr Rankin is an experienced healthcare leader with over 25 years' experience in imaging. He is working closely with the leadership team to optimise Enlitic's growth strategy and position the Company to take advantage of its ongoing opportunities in a cost-effective way to ensure maximisation of shareholder value.

FY23 Results Overview

Enlitic's FY23 revenue was US\$470k compared to US\$903k in FY22, as the Company made a strategic shift towards a subscription-based revenue model. Contracts typically have a 3-year term with a renewal mechanism. Revenue was driven by new client agreements and follows an implementation process which varies from customer to customer. All 2023 signed customers are anticipated to contribute revenue in H1 and early H2 2024.

LBIT was US\$15.5m in FY23 compared to US\$25m in FY22, primarily due to lower derivative finance costs in the 2022 year. In February 2023, Enlitic's convertible notes were converted into preference shares (and subsequently converted into common stock as part of the IPO process), thereby substituting the convertible note liability with shareholder equity.

² USD:AUD exchange rate of 0.6559, which was the published exchange rate on Bloomberg on the date of settlement of the IPO, being 12 December 2023.

Enlitic's cash position of US\$11.1m at the end of FY23 was bolstered by the successful IPO raise in December 2023 and is expected to help progress the Company's growth strategy and ongoing commercialisation plans.

	FY23 (USD)	FY22 (USD)	Change (%)
Revenue	0.470	0.903	(48%)
LBIT	15.551	25.040	(38%)
Cash Position	11.091	2.216	400%

FY24 Outlook

In the first two months of 2024, Enlitic continued to progress the conversion of its customer opportunity pipeline with several US customer agreements moving through the proof-of-concept phase towards License Agreements. Throughout 2024, Enlitic aims to continue to grow its customer base and pipeline by leveraging its direct and OEM sales force to reach customers across key global markets.

Existing clients also provide ongoing opportunities to cross-sell, up-sell and broaden the use of products which results in organic demand growth. Enlitic also began collaborating with its distribution partners, developing joint go-to-market plans and developing sales training activities. Furthermore, Enlitic is developing data monetisation strategies in collaboration with its customers and health care providers with a view to brokering the sale of data on behalf of its customers.

The Company is focused on the ongoing improvement of its existing commercialised products, ENDEX™ and ENCOG™. In addition, the Company continues to progress the development of its two proposed product features in its R&D pipeline as follows:

- ENCODE™, the Company's proposed coding and reimbursement feature, is on track to be released to the market in the second half of 2024. Further details will be released to the market in due course.
- Development is continuing for Enlitic's ENSIGHT™ feature which focuses on connectivity and analysis. This feature is expected to be released in the second half 2025.

– ENDS –

Enquiries

Australia:
 Lisa Newns-Smith
 Citadel-MAGNUS
 +61 405 670 981
L.Newns-Smith@morrowsodali.com

USA:
 Thea Moeller
 Enlitic, Inc.
invest@enlitic.com

About Enlitic

Enlitic is a software company that uses artificial intelligence to develop software products that manage medical imaging data in radiology (such as MRI, CT scans, X-ray and ultrasound images) and licences such products to healthcare providers. Enlitic's products (including its current product offering and product suite under development) seek to standardise, protect, integrate, and analyse data to create the foundation of a real-world evidence platform that can improve clinical workflows, increase efficiencies, and expand capacity. Read more at enlitic.com.

Forward-looking statements

Certain statements made during or in connection with this announcement contain or comprise certain forward-looking statements regarding the Company, its projected cash flow, financial performance, its customer contracts and customer pipeline and product development. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, such expectations are only predictions and are subject to inherent risks and uncertainties which could cause actual values, results, performance or achievements to differ materially from those expressed, implied or projected in any forward-looking statements and no assurance can be given that such expectations will prove to have been correct.

Accordingly, results could differ materially from those set out in the forward-looking statements as a result of, among other factors, changes in economic and market conditions, delays or changes in product development and realisation of customer pipeline, changes in demand, success of business and operating initiatives, changes in the regulatory environment and other government actions, fluctuations in exchange rates and business and operational risk management.

To the maximum extent permitted by law, each of the Company, its officers, employees, and advisers expressly disclaim any responsibility for the accuracy or completeness of the material contained in these forward-looking statements and excludes all liability whatsoever (including in negligence) for any loss or damage which may be suffered by any person as a consequence of any information in forward-looking statements or any error or omission. The Company undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events other than required by the applicable laws, including the ASX Listing Rules. Accordingly, you should not place undue reliance on any forward-looking statement.

This announcement was authorised for release by the Board of Enlitic, Inc.